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HOUSE BILL 593

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

INTRODUCED BY

Eric A. Youngberg

AN ACT

RELATING TO TAXATION; CREATING DEDUCTIONS FROM GROSS RECEIPTS  
FOR ARCHITECTURAL AND ENGINEERING SERVICES SOLD TO PERSONS  
ENGAGED IN THE CONSTRUCTION BUSINESS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-52 NMSA 1978 (being Laws 1969,  
Chapter 144, Section 42, as amended by Laws 2000, Chapter 84,  
Section 4 and also by Laws 2000, Chapter 98, Section 2) is  
amended to read:

"7-9-52. DEDUCTION--GROSS RECEIPTS TAX--SALE OF  
CONSTRUCTION SERVICES, ARCHITECTURAL SERVICES AND ENGINEERING  
SERVICES TO PERSONS ENGAGED IN THE CONSTRUCTION BUSINESS.--

A. Receipts from selling a construction service, an  
architectural service or an engineering service may be deducted  
from gross receipts if the sale is made to a person engaged in

underscored material = new  
[bracketed material] = delete

underscoring material = new  
[bracketed material] = delete

1 the construction business who delivers a nontaxable transaction  
2 certificate to the person performing the construction service,  
3 architectural service or engineering service.

4 B. The buyer delivering the nontaxable transaction  
5 certificate must have the construction services, architectural  
6 services or engineering services performed upon:

7 (1) a construction project [~~which~~] that is  
8 subject to the gross receipts tax upon its completion or upon  
9 the completion of the overall construction project of which it  
10 is a part;

11 (2) a construction project [~~which~~] that is  
12 subject to the gross receipts tax upon the sale in the ordinary  
13 course of business of the real property upon which it was  
14 constructed; or

15 (3) a construction project that is located on  
16 the tribal territory of an Indian nation, tribe or pueblo."